



**DEFENSE LOGISTICS AGENCY**  
**DEFENSE CONTRACT MANAGEMENT COMMAND**  
**8725 JOHN J. KINGMAN ROAD, SUITE 2533**  
**FT. BELVOIR, VIRGINIA 22060-6221**



IN REPLY  
REFER TO

AQOD

MAR 3 1997

**MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT  
DISTRICTS**

**SUBJECT: Early CAS - Acquisition Lessons Learned Interviews of DCMC Personnel**

Although we have made great strides with Early CAS, the challenge remains to improve the content of the counsel we provide our customers in support of their acquisition planning and Request for Proposal (RFP) development efforts. Our initial efforts at DCMC-wide lessons learned gathering (i.e., the questionnaire we mailed to the field in October 1995 and the quarterly lessons learned submissions) have provided good results, but we believe that we can still give our customers even more and better insight. We think we can best capture these insights from focused personal interviews of key personnel throughout DCMC. Accordingly, we are providing the questionnaire at Attachment 1 for each Contract Administration Office (CAO) to use in "mining" its own valuable lessons learned for the benefit of our customers.

We developed this "focused" questionnaire by speaking directly to our buying activity customers to determine their most pressing acquisition concerns. We determined that they desire DCMC insight into "what has worked and what hasn't" in a number of areas. They also want to know what innovative new strategies their counterparts in the other Services are using to manage emerging challenges. The areas of greatest customer interest include:

- a. Incentives/Award Fees
- b. Software Integration
- c. Subcontract Management
- d. Commercial Standards, Specifications, and Practices (including the implications for acceptance testing/inspection and logistics support)
- e. RFP Development/Contract Structuring

Please ensure that the Early CAS Points of Contact at each CAO conduct person-to-person interviews with all Team Chiefs, Program Integrators, and Administrative Contracting Officers at their activity, using the attached questionnaire. Also, please



distribute relevant portions of the questionnaire to other key personnel involved in areas such as software development and Integrated Logistics Support to obtain their written inputs.

Use Microsoft Word 6.0 and the example format provided at Attachment 2 to consolidate inputs into a "rolled-up" CAO response for each question, and forward your inputs by E-mail to Mr. Nelson Cahill ([nelson\\_cahill@hq.dla.mil](mailto:nelson_cahill@hq.dla.mil)) at DCMC Headquarters (AQOD). To help expedite our analysis of your inputs, please provide them to us in two "installments"--the first one due on March 17, 1997 (summarizing initial interviews) and the final submission due March 31, 1997 (subsequent interviews only).

If there are any questions, contact Mr. Nelson Cahill at (703) 767-3434 or DSN 427-3434.

A handwritten signature in black ink, appearing to read "Robert W. Drewes", with a stylized, flowing script.

ROBERT W. DREWES  
Major General, USAF  
Commander

Attachments

## Acquisition Strategy Information Survey

**General Information.** This survey instrument is designed to help DCMC capture information available throughout the Command that might help our customers (the Military Departments and other agencies) in acquisition strategy planning and Request for Proposal (RFP) development/contract structuring. The survey questions reflect areas of interest and concern as expressed by our customers during recent interviews. Our customers are looking to DCMC for the insight needed to help them manage these areas of concern more effectively. Once the survey is completed, the information gained will be disseminated widely throughout DCMC, as well as to our customers, so that any DCMC member participating with our customers in acquisition strategy planning will be able to provide timely information and advice.

This instrument covers five broad topic areas:

- \* Incentive/Award Fees
- \* Software Integration
- \* Subcontract Management
- \* Commercial Standards, Specifications, and Practices
  - Acceptance Testing and Inspection
  - Logistics Support and Obsolescence
- \* RFP Development/Contract Structuring

Questions relevant to each topic area will be found under separate headings below.

If you previously responded to our October 1995 mail survey on the same subject, and have nothing new to add to the first three topic areas, you may want to proceed directly to "Commercial Standards, Specifications, and Practices". This area contains new questions regarding logistics support and obsolescence issues associated with commercial buys.

**Respondent Information.** Respondents, at their choice, may submit this questionnaire anonymously or provide the identification information requested below. Those who might wish to share their knowledges and experiences with other persons in the Command are encouraged to provide the requested identification information so that others can more easily contact them.

*There are no “right” or “wrong” answers. We encourage respondents to be completely open and honest with their answers. All responses received will be considered non-attributional--although names and contact information for respondents may be published or otherwise distributed to permit sharing of knowledges and experiences.*

**Respondent Name:** \_\_\_\_\_

**Position Title:** \_\_\_\_\_

**Organization and Address:** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Telephone Number (Commercial)** \_\_\_\_\_

**(DSN)** \_\_\_\_\_

**Continuing Submissions.** Following this exercise, a lessons learned questionnaire (with instructions for submission) will be posted at the “Early CAS Corner” section of the DCMC Homepage for your use in submitting future lessons learned inputs. You can access the Early CAS Corner by hitting the “Hot Topics” button on the Homepage.

**Section I - Incentives/Award Fees:**

1. Have you worked with contracts with award fees or special/unique incentive arrangements in the past?
2. If “yes,” for what products or services, and for what approximate dollar value?
3. What incentive arrangements have you worked with? (Please attach copies of the contract language, if available.)
4. a. What award fee arrangements have you worked with?
4. b. What were the award fee criteria?
4. c. Did DCMC have members on the Award Fee Board?
4. d. If “no,” did DCMC have other input to the Award Fee Board?
4. e. If “yes” to either 4.c. or 4.d., what issues were we asked to evaluate?

5. What contractor behaviors was the Government trying to motivate? (For instance, Cost? Overhead Costs Control or Reduction? End Item Performance? Delivery Schedule Compliance? Commercial Practices/Applications? Subcontract Management? Manufacturing Modernization? Please be as specific as possible.)

6. a. Which incentive/award fee arrangements do you believe have worked best in motivating the contractor to meet or exceed the Government's requirements or expectations?

6. b. Why did those arrangements work well?

7. a. Which incentive/award fee arrangements do you believe were ineffective in motivating the contractor?

7. b. Why do you believe those arrangements were ineffective?

8. a. Are you aware of commercially used incentive arrangements (at prime or subcontractor level) which have worked successfully?

8. b. If “yes,” what were those incentives, and and what contractor behaviors did they seek to motivate?

9. a. Do you have any recommendations for incentives arrangements which you have *not* seen used by buying activities, but which you believe would work effectively?

9. b. If “yes,” what are those arrangements, and what contractor behaviors should they motivate?



## **Section II - Software Integration**

1. a. Is there a correlation between a contractor's software maturity (as assessed by the Software Engineering Institute's Software Capability Evaluation or other formal evaluation) and successful software development (i.e., timeliness of delivery, staying within cost or Source Lines of Code (SLOC) targets, test results, etc.)?

1. b. If "yes," is the correlation positive or negative?

1. c. Can you explain why?

2. a. Have you noticed any patterns of growth or "escalation" from contractors' initial SLOC estimates, the negotiated SLOC, and the SLOC actually delivered?

2. b. If "yes," what do you believe were the causes, and why?

2. c. What do you believe could help eliminate or at least minimize such growth, and why?

3. a. Have you noted any consistent patterns in the amount of software developed and available on time for hardware integration to meet contract delivery schedules?

(For example, "Typically, only 80 percent of software is available on time.")

3. b. If "yes," what do you believe are the causes?

3. c. What do you believe could help eliminate those causes or at least minimize them?

4. In your experience,

a. Prime contractors typically subcontract \_\_\_\_\_ % of their software development efforts.

b. Prime contractors select software subcontractors according to the following criteria:

c. Prime contractors manage the development and integration of subcontractor software by:

d. Prime contractors manage the integration of hardware and subcontractor-developed software by:

e. Prime contractors determine the adequacy of subcontractor-developed software by:

5. a. From your experience, how do contractors assess software development risk?

5. b. How do they mitigate those risks?

6. a. What are the software progress/performance metrics typically requested by program offices?

6. b. What are the software progress/performance metrics typically used internally by contractors?

6. c. Should there be a common set of metrics, and why?

- 6. d. If “yes,” what metrics do you believe those should be, and why?
  
  
  
  
  
  
  
  
  
  
- 7. a. Are there differences (in procedures, policies, etc.) between contractors’ commercial and military software development efforts?
- 7. b. If “yes,” what are those differences?
  
  
  
  
  
  
  
- 7. c. Do you know what the reasons are for those differences?
- 7. d. If “yes,” please identify the reasons.
  
  
  
  
  
  
  
- 7. e. Which procedures do you believe are better, military or commercial, and why?

### **Section III - Subcontract Management**

1. How should acquisition strategies be revised to better take into consideration the ability of primes to manage their subcontractors?

2. How should we incentivise prime contractors to take greater responsibility for managing their subcontracts and reduce the need for Government oversight?

3. How would you rate the value of DCMC subcontract management effort, particularly quality assurance efforts at subcontractors, compared to our costs?

4. a. Do prime contractors ever include incentive provisions in their subcontracts (to motivate control of costs, on-time delivery, etc.)?

4. b. If “yes,” please describe under what circumstances, and why?

4. c. How often do those circumstance occur?

- 5. a. Are there significant differences between contractors' military and commercial subcontracts and purchase orders?
- 5. b. If "yes," what are those differences?
  
- 6. a. Do contractors perform adequate reviews of subcontractor proposals?
- 6. b. If they do, does the Government experience better control of costs, ease of negotiation, etc.?

**Section IV - Commercial Standards, Specifications, and Practices.**

1. Acceptance Testing and Inspection. How does buying commercial products or buying products based on commercial specifications or standards, (including performance standards) affect acceptance testing and inspection? Please provide copies of any available supporting documentation (e.g. contractual language, acceptance test plans, briefings, etc).

1. a. Please describe what has worked:

1. b. Please describe what has not worked:

1. c. From your experience, what is the best way to verify commercial product performance?



2. Logistics Support. Our customers are concerned about the long term effects on supportability caused by buying commercial products or buying products based on commercial specifications or standards. There will be less reliance on “organic” Government logistics support and more reliance on contractor logistics support planning and execution. Please describe strategies used by programs to ensure effective life cycle logistics support for commercial buys. Please provide copies of related contractual language (e.g. SOW, award fee criteria, warranty language, etc.).

2. a. If you’ve received any feedback on the downstream effects of any of these support strategies, please describe what has worked:

2. b. Please describe what has not worked:

3. Obsolescence. Please provide any insight you may have into strategies programs are using to cope with the anticipated rapid obsolescence of many items (and associated component parts) sold commercially. Please provide copies of related contractual language (e.g. SOW, award fee criteria, warranty language, etc.) that is being used to anticipate and manage this area of concern.

3. a. If you've received any feedback on the downstream effects of any of these strategies, please describe what has worked:

3. b. Please describe what has not worked:

4. General. What practices do contractors use with their suppliers that might be considered for Government prime contracts? (For example, financial arrangements, product acceptance, parts support agreements, etc. Please list or describe even if current law or regulation precludes their use.)

## **Section V - RFP Development and Contract Structuring**

1. If you could change contracts to allow you to perform your administration job easier or more effectively, how would you change them? Please be as specific as possible, identifying:

- \* Language/provisions that you would want to insert or delete.
- \* Known obstacles (legal, regulatory, or otherwise) that would need to be overcome to effect this change.
- \* Customer(s) whose contracts you would change in this regard.

Provide examples from actual contracts if possible.

2. How could contracts be written to make them more executable? Again, please be as specific as possible, providing the same type of information requested for question 1 above.

## **FORMAT EXAMPLE**

**DCMC (CAO Name)**

### **LESSONS-LEARNED SURVEY**

#### **PART 1: DETAILED DEMOGRAPHICS TABLE**

| <b>Respondent<br/>Number</b> | <b>NAME / POSITION TITLE</b>             | <b>PHONE</b>   |
|------------------------------|--|----------------|
| 1                            | John Doe / Divisional ACO                | (123) 456-7890 |
| 2                            | Tom Smith / QAS - computer software      | (123) 456-1234 |
| 3                            | Mary Jones / Tech Assessment Group Chief | (123) 456-4567 |
| 4                            | etc                                      | etc            |
| 5                            | etc                                      | etc            |
| 6                            | “  | “              |
| 7                            | “  | “              |
| 8                            | “  | “              |
| 9                            | “  | “              |
| 10                           | “  | “              |
| 11                           | “  | “              |
| 12                           | “  | “              |
| 13                           | “  | “              |
| etc.                         | etc.                                     | etc.           |

# FORMAT EXAMPLE

## DCMC (CAO Name)

### LESSONS-LEARNED SURVEY

#### PART 2: “ROLL-UP” OF INDIVIDUAL SURVEY RESPONSES

NOTE: Report all substantive responses, but don’t report any responses along the lines of “no,” “NA,” “none,” etc. Provide attachments as necessary, referencing them by number in the “roll-up” report.

##### Section 1 - Incentives/Award Fees:

Question 1. Have you worked with contracts with award fees or special/unique incentive arrangements in the past?

-- Respondent 1: *(Provide respondent 1’s comments here.)*

-- Respondent 2: *(Provide respondent 2’s comments here.)*

-- Respondent 3: *(Provide respondent 3’s comments here.)*

-- *etc.*

Question 2. If, “yes,” for what products or services, and for what approximate dollar value?

-- Respondent 1: *(Provide respondent 1’s comments here.)*

-- Respondent 2: *(Provide respondent 2’s comments here.)*

-- Respondent 3: *(Provide respondent 3’s comments here.)*

-- *etc.*

*Continue use of format to provide “rolled-up” CAO response to all questions.*

AQOD

MEMORANDUM FOR AQ  
THRU: AQO

SUBJECT: Early CAS - Acquisition Lessons Learned Interviews of DCMC Personnel

The attached memorandum forwards, through the District Commanders, a questionnaire that Early CAS points of contact in the field can use conducting acquisition lessons learned interviews with key personnel (Team Chiefs, Program Integrators, ACOs, etc). The interview questions reflect the principal areas of concern expressed by our customers during the recent liaison interviews. The questionnaire is a mix of both newly articulated questions as well as questions asked during our earlier mail survey effort. Many of the questions we asked during our mail survey were “right on” in content, so we are asking them again. However, this time we are using CAO Early CAS POCs to conduct personal interviews. We expect this method to yield a wider and deeper response than we obtained through the mail questionnaires.

Please contact Dave James at 767-3378 if you have questions.

MICHAEL R. WILLIAMS  
Chief, Contractor Capability and  
Proposal Analysis

Attachment